

ND RETIREMENT AND INVESTMENT OFFICE
Combined Balance Sheet
As of 7/31/2002

	As of <u>7-31-02</u>	As of <u>6-30-02</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 1,109,561,134	\$ 1,172,921,967
INTERNATIONAL EQUITIES	470,275,868	519,746,145
DOMESTIC FIXED INCOME	1,167,087,784	1,194,301,653
INTERNATIONAL FIXED INCOME	130,854,184	130,429,525
REAL ESTATE POOL	164,528,815	163,084,870
VENTURE CAPITAL	86,969,104	72,539,116
INVESTED CASH (NOTE 1)	<u>34,009,274</u>	<u>66,676,990</u>
 TOTAL INVESTMENTS	 3,163,286,163	 3,319,700,266
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	20,152,845	16,125,917
CONTRIBUTIONS/ASSESSMENTS REC	568,843	5,783,737
MISCELLANEOUS RECEIVABLES	<u>2,094</u>	<u>76,372</u>
 TOTAL RECEIVABLES	 20,723,782	 21,986,026
 OTHER ASSETS		
OPERATING CASH (NOTE 2)	6,273,568	7,366,262
DUE FROM OTHER AGENCIES (NOTE 3)	32,916	22,148
FIXED ASSETS (NET) (NOTE 4)	<u>6,003</u>	<u>6,003</u>
 TOTAL ASSETS	 <u><u>\$ 3,190,322,432</u></u>	 <u><u>\$ 3,349,080,705</u></u>
 LIABILITIES:		
ACCOUNTS PAYABLE	2,441,486	2,571,642
ACCRUED EXPENSES	209,366	343,095
DUE TO OTHER AGENCIES (NOTE 5)	<u>32,916</u>	<u>22,148</u>
 TOTAL LIABILITIES	 2,683,768	 2,936,885
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	3,346,332,984	3,546,640,539
CASH IN DURING YEAR (NOTE 6)	42,510,061	291,500,004
CASH OUT DURING YEAR (NOTE 7)	27,056,000	260,459,909
NET INCREASE (DECREASE)	<u>(174,148,381)</u>	<u>(231,347,650)</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>3,187,638,664</u>	 <u>3,346,332,984</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u><u>\$ 3,190,322,432</u></u>	 <u><u>\$ 3,349,269,869</u></u>

ND RETIREMENT AND INVESTMENT OFFICE
Combined Profit and Loss Statement
For the Month Ended 7/31/2002

	Month Ended <u>7-31-02</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 13,978,729	\$ 13,978,729
SECURITIES LENDING INCOME	<u>445,326</u>	<u>445,326</u>
	14,424,055	14,424,055
 GAIN ON SALE OF INVESTMENTS	 49,985,184	 49,985,184
LOSS ON SALE OF INVESTMENTS	<u>81,870,688</u>	<u>81,870,688</u>
 NET GAINS (LOSSES) INVESTMENTS	 (31,885,504)	 (31,885,504)
 INVESTMENT EXPENSES	 573,374	 573,374
SECURITIES LENDING EXPENSES	<u>362,280</u>	<u>362,280</u>
 NET INVESTMENT INCOME	 (18,397,103)	 (18,397,103)
 NET APPREC (DEPREC) MARKET VALUE	 (154,346,662)	 (154,346,662)
MISCELLANEOUS INCOME/(EXPENSE)	<u>4,202,136</u>	<u>4,202,136</u>
 TOTAL INVESTMENT INCOME	 (168,541,629)	 (168,541,629)
 CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	 660,440	 660,440
PURCHASED SERVICE CREDIT (NOTE 9)	108,201	108,201
PENALTY & INTEREST (NOTE 10)	<u>0</u>	<u>0</u>
 TOTAL ADDITIONS	 <u>(167,772,988)</u>	 <u>(167,772,988)</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	6,028,225	6,028,225
REFUNDS TO MEMBER (NOTE 12)	<u>262,741</u>	<u>262,741</u>
 TOTAL BENEFITS PAID	 6,290,966	 6,290,966
 ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	69,016	69,016
OPERATING EXPENSES	15,411	15,411
EQUIPMENT	<u>0</u>	<u>0</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>84,427</u>	 <u>84,427</u>
 TOTAL DEDUCTIONS	 <u>6,375,393</u>	 <u>6,375,393</u>
 NET INCREASE (DECREASE)	 <u><u>\$ (174,148,381)</u></u>	 <u><u>\$ (174,148,381)</u></u>

ND RETIREMENT AND INVESTMENT OFFICE
Notes to Combined Financial Statement
July 31, 2002

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2 OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3 DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5 DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6 CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7 CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

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Notes to Combined Financial Statement
7/31/2002

NOTE 8 CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9 PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.